

Union Calendar No. 308

114TH CONGRESS
2^D SESSION

H. R. 677

[Report No. 114–405]

To amend title 38, United States Code, to provide for annual cost-of-living adjustments to be made automatically by law each year in the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of certain service-connected disabled veterans.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 2015

Mr. ABRAHAM (for himself and Ms. TITUS) introduced the following bill;
which was referred to the Committee on Veterans' Affairs

FEBRUARY 1, 2016

Reported with an amendment, committed to the Committee of the Whole
House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in *italie*]

[For text of introduced bill, see copy of bill as introduced on February 3, 2015]

A BILL

To amend title 38, United States Code, to provide for annual cost-of-living adjustments to be made automatically by law each year in the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of certain service-connected disabled veterans.

1 *Be it enacted by the Senate and House of Representa-*
 2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) *SHORT TITLE.*—*This Act may be cited as the*
 5 *“American Heroes COLA Act of 2015”.*

6 (b) *TABLE OF CONTENTS.*—*The table of contents for*
 7 *this Act is as follows:*

Sec. 1. Short title; table of contents.

Sec. 2. Expansion of eligibility for medallions.

Sec. 3. Definitions relating to claims for benefits under laws administered by the
Secretary of Veterans Affairs.

Sec. 4. Quarterly reports on formal and informal claims for benefits under laws
administered by Secretary of Veterans Affairs.

Sec. 5. Expedited payment of survivor’s benefits.

Sec. 6. Priority for processing claims of the Department of Veterans Affairs.

Sec. 7. Treatment of medical evidence provided by non-Department of Veterans
Affairs medical professionals in support of claims for disability
compensation.

Sec. 8. Automatic annual increase in rates of disability compensation and de-
pendency and indemnity compensation.

Sec. 9. Improvement of fiduciaries for veterans.

Sec. 10. Board of Veterans’ Appeals video hearings.

Sec. 11. Improvements to authority for performance of medical disabilities exami-
nations by contract physicians.

Sec. 12. Pilot program on fully developed appeals.

Sec. 13. Deadline for certification of appeals forms by regional offices of the De-
partment of Veterans Affairs.

Sec. 14. Evaluation of backlog of disability claims and appeals of claims of De-
partment of Veterans Affairs.

Sec. 15. Methods for validating certain World War II Merchant Mariner service
considered to be active service by the Secretary of Veterans Af-
airs.

Sec. 16. Designation of American World War II Cities.

Sec. 17. Sense of Congress regarding American veterans disabled for life.

8 **SEC. 2. EXPANSION OF ELIGIBILITY FOR MEDALLIONS.**

9 *Section 2306(d)(4) of title 38, United States Code, is*
 10 *amended to read as follows:*

11 *“(4)(A) In lieu of furnishing a headstone or marker*
 12 *under this subsection to a deceased individual described in*
 13 *subparagraph (B), the Secretary may furnish, upon request,*

1 *a medallion or other device of a design determined by the*
 2 *Secretary to signify the deceased individual's status as a*
 3 *veteran, to be attached to a headstone or marker furnished*
 4 *at private expense.*

5 “(B) *A deceased individual described in this subsection*
 6 *is an individual who—*

7 “(i) *served in the Armed Forces on or after April*
 8 *6, 1917; and*

9 “(ii) *is eligible for a headstone or marker fur-*
 10 *nished under paragraph (1) (or would be so eligible*
 11 *but for the date of the death of the individual).”.*

12 **SEC. 3. DEFINITIONS RELATING TO CLAIMS FOR BENEFITS**
 13 **UNDER LAWS ADMINISTERED BY THE SEC-**
 14 **RETARY OF VETERANS AFFAIRS.**

15 (a) *DEFINITIONS.—*

16 (1) *IN GENERAL.—Section 5100 of title 38,*
 17 *United States Code, is amended to read as follows:*

18 **“§ 5100. Definitions**

19 *“In this chapter:*

20 “(1) *The term ‘claimant’ means any individual*
 21 *applying for, or submitting a claim for, any benefit*
 22 *under the laws administered by the Secretary.*

23 “(2) *The term ‘claim’ means a communication*
 24 *in writing requesting a determination of entitlement*

1 *or evidencing a belief in entitlement to a benefit*
 2 *under the laws administered by the Secretary.*

3 “(3) *The term ‘formal claim’ means a claim sub-*
 4 *mitted on an application form prescribed by the Sec-*
 5 *retary.’”.*

6 (2) *CLERICAL AMENDMENT.—The table of sec-*
 7 *tions at the beginning of chapter 51 of such title is*
 8 *further amended by striking the item relating to sec-*
 9 *tion 5100 and inserting the following new item:*

“5100. Definitions.”.

10 (b) *EFFECTIVE DATE.—Section 5100 of title 38,*
 11 *United States Code, as amended by subsection (a), shall*
 12 *take effect on the date of the enactment of this Act and shall*
 13 *apply with respect to a claim submitted on or after such*
 14 *date.*

15 **SEC. 4. QUARTERLY REPORTS ON FORMAL AND INFORMAL**
 16 **CLAIMS FOR BENEFITS UNDER LAWS ADMIN-**
 17 **ISTERED BY SECRETARY OF VETERANS AF-**
 18 **FAIRS.**

19 (a) *QUARTERLY REPORTS.—During the five-year pe-*
 20 *riod beginning on the date of the enactment of this Act,*
 21 *the Secretary shall submit to the Committees on Veterans’*
 22 *Affairs of the Senate and House of Representatives quar-*
 23 *terly reports on formal and informal claims submitted to*
 24 *the Secretary. Each such report shall include, for the three-*
 25 *month period covered by the report—*

1 (1) *the total number of claims submitted to the*
2 *Secretary;*

3 (2) *the total number of informal claims sub-*
4 *mitted to the Secretary;*

5 (3) *the total number of formal claims submitted*
6 *to the Secretary;*

7 (4) *the total number of forms indicating an in-*
8 *tent to file a claim for benefits submitted to the Sec-*
9 *retary;*

10 (5) *the total number of claims notification letters*
11 *that included an invitation to the claimant to submit*
12 *an additional formal claim that was reasonably*
13 *raised during the adjudication of the claim for which*
14 *the notification letter is sent;*

15 (6) *of the claimants who received notification let-*
16 *ters described in paragraph (5), the total number who*
17 *submitted a formal claim in response to the invita-*
18 *tion included in the letter;*

19 (7) *the total number of electronically filed claims*
20 *submitted to the Secretary; and*

21 (8) *the total number of fully-developed claims*
22 *submitted to the Secretary.*

23 (b) *SENSE OF CONGRESS.—It is the sense of Congress*
24 *that the Secretary of Veterans Affairs should develop a des-*
25 *ignated form for an increase or reopening of a claim that*

1 *does not require the resubmittal of information previously*
2 *submitted on a formal claim form.*

3 *(c) DEFINITIONS.—In this section:*

4 *(1) The terms “claim”, “claimant”, and “formal*
5 *claim” have the meanings given such terms in section*
6 *5100 of title 38, United States Code, as amended by*
7 *section 4.*

8 *(2) The term “informal claim” means a commu-*
9 *nication in writing requesting a determination of en-*
10 *titlement or evidencing a belief in entitlement, to a*
11 *benefit under the laws administered by the Secretary*
12 *of Veterans Affairs that—*

13 *(A) is submitted in a format other than on*
14 *an application form prescribed by the Secretary;*

15 *(B) indicates an intent to apply for one or*
16 *more benefits under the laws administered by the*
17 *Secretary;*

18 *(C) identifies the benefit sought;*

19 *(D) is made or submitted by a claimant, his*
20 *or her duly authorized representative, a Member*
21 *of Congress, or another person acting on behalf*
22 *of a claimant who meets the requirements estab-*
23 *lished by the Secretary for such purpose; and*

1 (E) may include a report of examination or
 2 hospitalization, if the report relates to a dis-
 3 ability which may establish such an entitlement.

4 (3) The term “reasonably raised” with respect to
 5 a claim means that evidence of an entitlement to a
 6 benefit under the laws administered by the Secretary
 7 is inferred or logically placed at issue upon a sympa-
 8 thetic reading of another claim and the record devel-
 9 oped with respect to that claim.

10 **SEC. 5. EXPEDITED PAYMENT OF SURVIVOR’S BENEFITS.**

11 (a) *IN GENERAL.*—Section 5101(a)(1) of title 38,
 12 *United States Code*, is amended—

13 (1) by striking “A specific” and inserting “(A)
 14 Except as provided in subparagraph (B), a specific”;
 15 and

16 (2) by adding at the end the following new sub-
 17 paragraph:

18 “(B)(i) The Secretary may pay benefits under chapters
 19 13 and 15 and sections 2302, 2307, and 5121 of this title
 20 to a survivor of a veteran who has not filed a formal claim
 21 if the Secretary determines that the record contains suffi-
 22 cient evidence to establish the entitlement of the survivor
 23 to such benefits.

24 “(ii) For purposes of this subparagraph and section
 25 5110 of this title, the earlier of the following dates shall

1 *be treated as the date of the receipt of the survivor's applica-*
2 *tion for benefits described in clause (i):*

3 “(I) *The date on which the survivor of a veteran*
4 *(or the representative of such a survivor) notifies the*
5 *Secretary of the death of the veteran through a death*
6 *certificate or other relevant medical evidence indi-*
7 *cating that the death was due to a service-connected*
8 *or compensable disability.*

9 “(II) *The head of any other department or agen-*
10 *cy of the Federal Government notifies the Secretary of*
11 *the death of the veteran.*

12 “(iii) *In notifying the Secretary of the death of a vet-*
13 *eran as described in clause (ii)(I), the survivor (or the rep-*
14 *resentative of such a survivor) may submit to the Secretary*
15 *additional documents relating to such death without being*
16 *required to file a formal claim.”.*

17 **(b) REPORT.—**

18 **(1) IN GENERAL.—***Not later than one year after*
19 *the date of the enactment of this Act, the Secretary of*
20 *Veterans Affairs shall submit to the Committee on*
21 *Veterans' Affairs of the Senate and the Committee on*
22 *Veterans' Affairs of the House of Representatives a re-*
23 *port on benefits paid pursuant to covered claims.*

24 **(2) CONTENTS.—***The report under paragraph (1)*
25 *shall include the following:*

1 (A) *The number of covered claims adjudicated during the one-year period preceding the*
2 *date of the report, disaggregated by the following:*

3 (i) *Claims in which the claimant*
4 *claimed entitlement to compensation on the*
5 *basis of the claimant's status as the spouse*
6 *of a deceased veteran.*

7 (ii) *Claims in which the claimant*
8 *claimed entitlement to compensation on the*
9 *basis of the claimant's status as the child of*
10 *a deceased veteran.*

11 (iii) *Claims in which the claimant*
12 *claimed entitlement to compensation on the*
13 *basis of the claimant's status as the parent*
14 *of a deceased veteran.*

15 (B) *The number of covered claims that were*
16 *adjudicated during such period and for which*
17 *compensation was not awarded, disaggregated by*
18 *clauses (i) through (iii) of subparagraph (A).*

19 (C) *A comparison of the accuracy and time-*
20 *liness of covered claims adjudicated during such*
21 *period with non-covered claims filed by survivors*
22 *of a veteran.*

23 (D) *The findings of the Secretary with re-*
24 *spect to adjudicating covered claims.*
25

11 (c) *EFFECTIVE DATE.*—*The amendments made by sub-*
12 *section (a) shall apply with respect to claims for benefits*
13 *based on a death occurring on or after the date of the enact-*
14 *ment of this Act.*

17 (a) *IN GENERAL.*—Subchapter I of chapter 51 of title
18 38, United States Code, is amended by adding at the end
19 the following new section:

21 “(a) *PRIORITY.*—In processing claims for compensa-
22 tion under this chapter, the Secretary shall provide the fol-
23 lowing claimants with priority over other claimants:

25 “(2) *Veterans who are terminally ill.*

1 “(3) *Veterans with life-threatening illnesses.*

2 “(4) *Homeless veterans (as defined in section*
3 *2002 of this title).*

4 “(5) *Veterans who were awarded the Medal of*
5 *Honor.*

6 “(6) *Veterans who are former prisoners of war.*

7 “(7) *Veterans whose claims are being reviewed*
8 *again in relation to a previously denied claim relat-*
9 *ing to military sexual trauma.*

10 “(8) *Veterans whom the Secretary determines, on*
11 *a case-by-case basis, are seriously or very seriously*
12 *injured.*

13 “(9) *Veterans whom the Secretary determines, on*
14 *a case-by-case basis, should be given priority under*
15 *this section based on an application for good cause es-*
16 *tablished by the Secretary.*

17 “(b) *REGULATIONS.—The Secretary shall prescribe*
18 *regulations to carry out subsection (a).”.*

19 “(b) *CLERICAL AMENDMENT.—The table of sections at*
20 *the beginning of such chapter is amended by inserting after*
21 *the item relating to section 5109B the following new item:*

“5109C. Priority for processing claims.”.

1 **SEC. 7. TREATMENT OF MEDICAL EVIDENCE PROVIDED BY**
2 **NON-DEPARTMENT OF VETERANS AFFAIRS**
3 **MEDICAL PROFESSIONALS IN SUPPORT OF**
4 **CLAIMS FOR DISABILITY COMPENSATION.**

5 (a) *ACCEPTANCE OF REPORTS OF PRIVATE PHYSICIAN*
6 *EXAMINATIONS.*—Section 5125 of title 38, United States
7 Code, is amended—

8 (1) by striking “For purposes” and inserting
9 “(a) *IN GENERAL.*—For purposes”; and

10 (2) by adding at the end the following new sub-
11 sections:

12 “(b) *SUFFICIENCY OF EVIDENCE.*—If a veteran has
13 submitted a medical opinion or report of a medical exam-
14 ination administered by a private physician in support of
15 the veteran’s claim, the Secretary may not order a medical
16 examination to be administered by a Department physician
17 unless the Secretary provides the veteran with a thorough
18 explanation of why the medical opinion or report submitted
19 by the veteran was not sufficiently complete and the reason
20 why additional medical evidence is necessary.

21 “(c) *SUFFICIENTLY COMPLETE DEFINED.*—For pur-
22 poses of a medical opinion or report described in subsection
23 (a), the term ‘sufficiently complete’ means competent, cred-
24 ible, probative, and containing such information as may
25 be required to make a decision on the claim for which the
26 medical opinion or report is provided.”.

1 (b) *EFFECTIVE DATE.*—*The amendment made by sub-*
 2 *section (a) shall apply with respect to medical evidence sub-*
 3 *mitted after the date that is one year after the date of the*
 4 *enactment of this Act.*

5 **SEC. 8. AUTOMATIC ANNUAL INCREASE IN RATES OF DIS-**
 6 **ABILITY COMPENSATION AND DEPENDENCY**
 7 **AND INDEMNITY COMPENSATION.**

8 (a) *INDEXING TO SOCIAL SECURITY INCREASES.*—*Sec-*
 9 *tion 5312 of title 38, United States Code, is amended by*
 10 *adding at the end the following new subsection:*

11 “(d)(1) *Whenever there is an increase in benefit*
 12 *amounts payable under title II of the Social Security Act*
 13 *(42 U.S.C. 401 et seq.) as a result of a determination made*
 14 *under section 215(i) of such Act (42 U.S.C. 415(i)), the Sec-*
 15 *retary shall, effective on the date of such increase in benefit*
 16 *amounts, increase the dollar amounts in effect for the pay-*
 17 *ment of disability compensation and dependency and in-*
 18 *demnity compensation by the Secretary, as specified in*
 19 *paragraph (2), as such amounts were in effect immediately*
 20 *before the date of such increase in benefit amounts payable*
 21 *under title II of the Social Security Act, by the same per-*
 22 *centage as the percentage by which such benefit amounts*
 23 *are increased.*

24 “(2) *The dollar amounts to be increased pursuant to*
 25 *paragraph (1) are the following:*

1 “(A) *WARTIME DISABILITY COMPENSATION.*—
2 *Each of the dollar amounts in effect under section*
3 *1114 of this title.*

4 “(B) *ADDITIONAL COMPENSATION FOR DEPEND-*
5 *ENTS.*—*Each of the dollar amounts in effect under*
6 *section 1115(1) of this title.*

7 “(C) *CLOTHING ALLOWANCE.*—*The dollar*
8 *amount in effect under section 1162 of this title.*

9 “(D) *DEPENDENCY AND INDEMNITY COMPENSA-*
10 *TION TO SURVIVING SPOUSE.*—*Each of the dollar*
11 *amounts in effect under subsections (a) through (d) of*
12 *section 1311 of such title.*

13 “(E) *DEPENDENCY AND INDEMNITY COMPENSA-*
14 *TION TO CHILDREN.*—*Each of the dollar amounts in*
15 *effect under sections 1313(a) and 1314 of such title.*

16 “(3) *Whenever there is an increase under paragraph*
17 *(1) in amounts in effect for the payment of disability com-*
18 *pensation and dependency and indemnity compensation,*
19 *the Secretary shall publish such amounts, as increased pur-*
20 *suant to such paragraph, in the Federal Register at the*
21 *same time as the material required by section 215(i)(2)(D)*
22 *of the Social Security Act (42 U.S.C. 415(i)(2)(D)) is pub-*
23 *lished by reason of a determination under section 215(i)*
24 *of such Act (42 U.S.C. 415(i)).*

1 “(4) *Each dollar amount increased under paragraph*
 2 *(1), if not a whole dollar amount, shall be rounded to the*
 3 *next lower whole dollar amount.*

4 “(5) *The Secretary of Veterans Affairs may adjust ad-*
 5 *ministratively, consistent with the increases made under*
 6 *subsection (a), the rates of disability compensation payable*
 7 *to persons under section 10 of Public Law 85–857 (72 Stat.*
 8 *1263) who have not received compensation under chapter*
 9 *11 of this title.”.*

10 **(b) EFFECTIVE DATE.**—*Subsection (d) of section 5312*
 11 *of title 38, United States Code, as added by subsection (a)*
 12 *of this section, shall take effect on December 1, 2015.*

13 **SEC. 9. IMPROVEMENT OF FIDUCIARIES FOR VETERANS.**

14 **(a) APPOINTMENT AND SUPERVISION.**—

15 **(1)** *Section 5502 of title 38, United States Code,*
 16 *is amended to read as follows:*

17 **“§ 5502. Appointment of fiduciaries**

18 “(a) **APPOINTMENT.**—*Where it appears to the Sec-*
 19 *retary that the interest of the beneficiary would be served*
 20 *thereby, payment of benefits under any law administered*
 21 *by the Secretary may be made directly to the beneficiary*
 22 *or to a relative or some other fiduciary for the use and ben-*
 23 *efit of the beneficiary, regardless of any legal disability on*
 24 *the part of the beneficiary.*

1 “(b) *APPEALS.—(1) If the Secretary determines a ben-*
 2 *eficiary to be mentally incompetent for purposes of appoint-*
 3 *ing a fiduciary under this chapter, the Secretary shall pro-*
 4 *vide such beneficiary with a written statement detailing the*
 5 *reasons for such determination.*

6 “(2) *A beneficiary whom the Secretary has determined*
 7 *to be mentally incompetent for purposes of appointing a*
 8 *fiduciary under this chapter may appeal such determina-*
 9 *tion.*

10 “(c) *MODIFICATION.—(1) A beneficiary for whom the*
 11 *Secretary appoints a fiduciary under this chapter may, at*
 12 *any time, request the Secretary to—*

13 “(A) *remove the fiduciary so appointed; and*

14 “(B) *have a new fiduciary appointed.*

15 “(2) *The Secretary shall comply with a request under*
 16 *paragraph (1) if the Secretary determines that the request*
 17 *is made in good faith and—*

18 “(A) *the fiduciary requested to be removed re-*
 19 *ceives a fee from the beneficiary and a suitable volun-*
 20 *teer fiduciary is available to assist the beneficiary; or*

21 “(B) *the beneficiary provides credible informa-*
 22 *tion that the fiduciary requested to be removed is—*

23 “(i) *not acting in the interest of the bene-*
 24 *ficiary; or*

1 “(ii) unable to effectively serve the bene-
2 ficiary because of an irreconcilable personality
3 conflict or disagreement.

4 “(3) The Secretary shall ensure that any removal or
5 new appointment of a fiduciary under paragraph (1) does
6 not delay or interrupt the beneficiary’s receipt of benefits
7 administered by the Secretary.

8 “(d) INDEPENDENCE.—A fiduciary appointed by the
9 Secretary shall operate independently of the Department to
10 determine the actions that are in the interest of the bene-
11 ficiary.

12 “(e) PREDESIGNATION.—A veteran may predesignate
13 a fiduciary by—

14 “(1) submitting written notice to the Secretary
15 of the predesignated fiduciary; or

16 “(2) submitting a form provided by the Sec-
17 retary for such purpose.

18 “(f) APPOINTMENT OF NON-PREDESIGNATED FIDU-
19 CIARY.—If a beneficiary designates an individual to serve
20 as a fiduciary under subsection (e) and the Secretary ap-
21 points an individual not so designated as the fiduciary for
22 such beneficiary, the Secretary shall notify such beneficiary
23 of—

24 “(1) the reason why such designated individual
25 was not appointed; and

1 “(2) *the ability of the beneficiary to modify the*
2 *appointed fiduciary under subsection (c).*

3 “(g) *PRIORITY OF APPOINTMENT.—In appointing a fi-*
4 *ducary under this chapter, if a beneficiary does not des-*
5 *ignate a fiduciary pursuant to subsection (e), to the extent*
6 *possible the Secretary shall appoint a person who is—*

7 “(1) *a relative of the beneficiary;*

8 “(2) *appointed as guardian of the beneficiary by*
9 *a court of competent jurisdiction; or*

10 “(3) *authorized to act on behalf of the bene-*
11 *ficiary under a durable power of attorney.”.*

12 “(2) *CLERICAL AMENDMENT.—The table of sec-*
13 *tions at the beginning of chapter 55 of title 38,*
14 *United States Code, is amended by striking the item*
15 *relating to section 5502 and inserting the following:*

 “5502. *Appointment of fiduciaries.*”.

16 “(b) *SUPERVISION.—*

17 “(1) *IN GENERAL.—Chapter 55 of title 38, United*
18 *States Code, is amended by inserting after section*
19 *5502, as amended by subsection (a)(1), the following*
20 *new section:*

21 “§ 5502A. ***Supervision of fiduciaries***

22 “(a) *COMMISSION.—(1)(A) In a case in which the Sec-*
23 *retary determines that a commission is necessary in order*
24 *to obtain the services of a fiduciary in the best interests*
25 *of a beneficiary, the Secretary may authorize a fiduciary*

1 appointed by the Secretary to obtain from the monthly ben-
2 efits provided to the beneficiary a reasonable commission
3 for fiduciary services rendered, but the commission for any
4 month may not exceed the lesser of the following amounts:

5 “(i) The amount that equals three percent of the
6 monthly monetary benefits under laws administered
7 by the Secretary paid on behalf of the beneficiary to
8 the fiduciary.

9 “(ii) \$35.

10 “(B) A commission paid under this paragraph may
11 not be derived from any award to a beneficiary regarding
12 back pay or retroactive benefits payments.

13 “(C) A commission may not be authorized for a fidu-
14 ciary who receives any other form of remuneration or pay-
15 ment in connection with rendering fiduciary services for
16 benefits under this title on behalf of the beneficiary.

17 “(D) In accordance with section 6106 of this title, a
18 commission may not be paid to a fiduciary if the Secretary
19 determines that the fiduciary misused any benefit payments
20 of a beneficiary.

21 “(E) If the Secretary determines that the fiduciary has
22 misused any benefit or payments of a beneficiary, the Sec-
23 retary may revoke the fiduciary status of the fiduciary.

24 “(2) Where, in the opinion of the Secretary, any fidu-
25 ciary receiving funds on behalf of a Department beneficiary

1 *is acting in such a number of cases as to make it impracti-*
2 *cable to conserve properly the estates or to supervise the per-*
3 *sons of the beneficiaries, the Secretary may refuse to make*
4 *future payments in such cases as the Secretary may deem*
5 *proper.*

6 “(b) COURT.—Whenever it appears that any fiduciary,
7 *in the opinion of the Secretary, is not properly executing*
8 *or has not properly executed the duties of the trust of such*
9 *fiduciary or has collected or paid, or is attempting to collect*
10 *or pay, fees, commissions, or allowances that are inequitable*
11 *or in excess of those allowed by law for the duties performed*
12 *or expenses incurred, or has failed to make such payments*
13 *as may be necessary for the benefit of the ward or the de-*
14 *pendents of the ward, then the Secretary may appear, by*
15 *the Secretary’s authorized attorney, in the court which has*
16 *appointed such fiduciary, or in any court having original,*
17 *concurrent, or appellate jurisdiction over said cause, and*
18 *make proper presentation of such matters. The Secretary,*
19 *in the Secretary’s discretion, may suspend payments to any*
20 *such fiduciary who shall neglect or refuse, after reasonable*
21 *notice, to render an account to the Secretary from time to*
22 *time showing the application of such payments for the ben-*
23 *efit of such incompetent or minor beneficiary, or who shall*
24 *neglect or refuse to administer the estate according to law.*
25 *The Secretary may require the fiduciary, as part of such*

1 *account, to disclose any additional financial information*
2 *concerning the beneficiary (except for information that is*
3 *not available to the fiduciary). The Secretary may appear*
4 *or intervene by the Secretary's duly authorized attorney in*
5 *any court as an interested party in any litigation insti-*
6 *tuted by the Secretary or otherwise, directly affecting money*
7 *paid to such fiduciary under this section.*

8 “(c) *PAYMENT OF CERTAIN EXPENSES.—Authority is*
9 *hereby granted for the payment of any court or other ex-*
10 *penses incident to any investigation or court proceeding for*
11 *the appointment of any fiduciary or other person for the*
12 *purpose of payment of benefits payable under laws adminis-*
13 *tered by the Secretary or the removal of such fiduciary and*
14 *appointment of another, and of expenses in connection with*
15 *the administration of such benefits by such fiduciaries, or*
16 *in connection with any other court proceeding hereby au-*
17 *thorized, when such payment is authorized by the Secretary.*

18 “(d) *TEMPORARY PAYMENT OF BENEFITS.—All or any*
19 *part of any benefits the payment of which is suspended or*
20 *withheld under this section may, in the discretion of the*
21 *Secretary, be paid temporarily to the person having custody*
22 *and control of the incompetent or minor beneficiary, to be*
23 *used solely for the benefit of such beneficiary, or, in the case*
24 *of an incompetent veteran, may be apportioned to the de-*
25 *pendent or dependents, if any, of such veteran. Any part*

1 not so paid and any funds of a mentally incompetent or
2 insane veteran not paid to the chief officer of the institution
3 in which such veteran is a patient nor apportioned to the
4 veteran's dependent or dependents may be ordered held in
5 the Treasury to the credit of such beneficiary. All funds so
6 held shall be disbursed under the order and in the discretion
7 of the Secretary for the benefit of such beneficiary or the
8 beneficiary's dependents. Any balance remaining in such
9 fund to the credit of any beneficiary may be paid to the
10 beneficiary if the beneficiary recovers and is found com-
11 petent, or if a minor, attains majority, or otherwise to the
12 beneficiary's fiduciary, or, in the event of the beneficiary's
13 death, to the beneficiary's personal representative, except as
14 otherwise provided by law; however, payment will not be
15 made to the beneficiary's personal representative if, under
16 the law of the beneficiary's last legal residence, the bene-
17 ficiary's estate would escheat to the State. In the event of
18 the death of a mentally incompetent or insane veteran, all
19 gratuitous benefits under laws administered by the Sec-
20 retary deposited before or after August 7, 1959, in the per-
21 sonal funds of patient's trust fund on account of such vet-
22 eran shall not be paid to the personal representative of such
23 veteran, but shall be paid to the following persons living
24 at the time of settlement, and in the order named: The sur-
25 viving spouse, the children (without regard to age or mar-

1 *ital status) in equal parts, and the dependent parents of*
2 *such veteran, in equal parts. If any balance remains, such*
3 *balance shall be deposited to the credit of the applicable cur-*
4 *rent appropriation; except that there may be paid only so*
5 *much of such balance as may be necessary to reimburse a*
6 *person (other than a political subdivision of the United*
7 *States) who bore the expenses of last sickness or burial of*
8 *the veteran for such expenses. No payment shall be made*
9 *under the two preceding sentences of this subsection unless*
10 *claim therefor is filed with the Secretary within five years*
11 *after the death of the veteran, except that, if any person*
12 *so entitled under said two sentences is under legal disability*
13 *at the time of death of the veteran, such five-year period*
14 *of limitation shall run from the termination or removal of*
15 *the legal disability.*

16 “(e) *ESCHEATMENT.*—*Any funds in the hands of a fi-*
17 *duciary appointed by a State court or the Secretary derived*
18 *from benefits payable under laws administered by the Sec-*
19 *retary, which under the law of the State wherein the bene-*
20 *ficiary had last legal residence would escheat to the State,*
21 *shall escheat to the United States and shall be returned by*
22 *such fiduciary, or by the personal representative of the de-*
23 *ceased beneficiary, less legal expenses of any administration*
24 *necessary to determine that an escheat is in order, to the*

1 *Department, and shall be deposited to the credit of the ap-*
 2 *plicable revolving fund, trust fund, or appropriation.*

3 “(f) *ASSISTANCE.*—*The Secretary shall provide to a fi-*
 4 *duciary appointed under section 5502 of this title materials*
 5 *and tools to assist the fiduciary in carrying out the respon-*
 6 *sibilities of the fiduciary under this chapter, including—*

7 “(1) *handbooks, brochures, or other written mate-*
 8 *rial that explain the responsibilities of a fiduciary*
 9 *under this chapter;*

10 “(2) *tools located on an Internet website, includ-*
 11 *ing forms to submit to the Secretary required infor-*
 12 *mation; and*

13 “(3) *assistance provided by telephone.*”.

14 (2) *CLERICAL AMENDMENT.*—*The table of sec-*
 15 *tions at the beginning of chapter 55 of title 38,*
 16 *United States Code, is amended by inserting after the*
 17 *item relating to section 5502 the following new item:*

“5502A. *Supervision of fiduciaries.*”.

18 (c) *DEFINITION OF FIDUCIARY.*—*Section 5506 of title*
 19 *38, United States Code, is amended—*

20 (1) *by striking “For purposes” and inserting*

21 “(a) *For purposes*”; and

22 (2) *by adding at the end the following new sub-*
 23 *section:*

24 “(b)(1) *For purposes of subsection (a), the term ‘per-*
 25 *son’ includes any—*

1 “(A) State or local government agency whose
2 mission is to carry out income maintenance, social
3 service, or health care-related activities;

4 “(B) any State or local government agency with
5 fiduciary responsibilities; or

6 “(C) any nonprofit social service agency that the
7 Secretary determines—

8 “(i) regularly provides services as a fidu-
9 ciary concurrently to five or more individuals;
10 and

11 “(ii) is not a creditor of any such indi-
12 vidual.

13 “(2) The Secretary shall maintain a list of State or
14 local agencies and nonprofit social service agencies under
15 paragraph (1) that are qualified to act as a fiduciary under
16 this chapter. In maintaining such list, the Secretary may
17 consult the lists maintained under section 807(h) of the So-
18 cial Security Act (42 U.S.C. 1007(h)).”.

19 (d) *QUALIFICATIONS*.—Section 5507 of title 38, United
20 States Code, is amended to read as follows:

21 **“§ 5507. Inquiry, investigations, and qualification of**
22 **fiduciaries**

23 “(a) *INVESTIGATION*.—Any certification of a person
24 for payment of benefits of a beneficiary to that person as

1 *such beneficiary's fiduciary under section 5502 of this title*
 2 *shall be made on the basis of—*

3 “(1) *an inquiry or investigation by the Secretary*
 4 *of the fitness of that person to serve as fiduciary for*
 5 *that beneficiary to be conducted in advance of such*
 6 *certification and in accordance with subsection (b);*

7 “(2) *adequate evidence that certification of that*
 8 *person as fiduciary for that beneficiary is in the in-*
 9 *terest of such beneficiary (as determined by the Sec-*
 10 *retary under regulations);*

11 “(3) *adequate evidence that the person to serve as*
 12 *fiduciary protects the private information of a bene-*
 13 *ficiary in accordance with subsection (d)(1); and*

14 “(4) *the furnishing of any bond that may be re-*
 15 *quired by the Secretary in accordance with subsection*
 16 *(f).*

17 “(b) *ELEMENTS OF INVESTIGATION.—(1) In con-*
 18 *ducting an inquiry or investigation of a proposed fiduciary*
 19 *under subsection (a)(1), the Secretary shall conduct—*

20 “(A) *a face-to-face interview with the proposed*
 21 *fiduciary by not later than 30 days after the date on*
 22 *which such inquiry or investigation begins; and*

23 “(B) *a background check of the proposed fidu-*
 24 *ciary to—*

1 “(i) in accordance with paragraph (2), de-
2 termine whether the proposed fiduciary has been
3 convicted of a crime; and

4 “(ii) determine whether the proposed fidu-
5 ciary will serve the best interest of the bene-
6 ficiary, including by conducting a credit check of
7 the proposed fiduciary and checking the records
8 under paragraph (5).

9 “(2) The Secretary shall request information con-
10 cerning whether that person has been convicted of any of-
11 fense under Federal or State law. If that person has been
12 convicted of such an offense, the Secretary may certify the
13 person as a fiduciary only if the Secretary finds that the
14 person is an appropriate person to act as fiduciary for the
15 beneficiary concerned under the circumstances.

16 “(3) The Secretary shall conduct the background check
17 described in paragraph (1)(B)—

18 “(A) each time a person is proposed to be a fidu-
19 ciary, regardless of whether the person is serving or
20 has served as a fiduciary; and

21 “(B) at no expense to the beneficiary.

22 “(4) Each proposed fiduciary shall disclose to the Sec-
23 retary the number of beneficiaries that the fiduciary acts
24 on behalf of.

1 “(5) *The Secretary shall maintain records of any per-*
 2 *son who has—*

3 “(A) *previously served as a fiduciary; and*

4 “(B) *had such fiduciary status revoked by the*
 5 *Secretary.*

6 “(6)(A) *If a fiduciary appointed by the Secretary is*
 7 *convicted of a crime described in subparagraph (B), the*
 8 *Secretary shall notify the beneficiary of such conviction by*
 9 *not later than 14 days after the date on which the Secretary*
 10 *learns of such conviction.*

11 “(B) *A crime described in this subparagraph is a*
 12 *crime—*

13 “(i) *for which the fiduciary is convicted while*
 14 *serving as a fiduciary for any person;*

15 “(ii) *that is not included in a report submitted*
 16 *by the fiduciary under section 5509(a) of this title;*
 17 *and*

18 “(iii) *that the Secretary determines could affect*
 19 *the ability of the fiduciary to act on behalf of the ben-*
 20 *eficiary.*

21 “(c) *INVESTIGATION OF CERTAIN PERSONS.—(1) In*
 22 *the case of a proposed fiduciary described in paragraph (2),*
 23 *the Secretary, in conducting an inquiry or investigation*
 24 *under subsection (a)(1), may carry out such inquiry or in-*
 25 *vestigation on an expedited basis that may include giving*

1 *priority to conducting such inquiry or investigation. Any*
 2 *such inquiry or investigation carried out on such an expe-*
 3 *dated basis shall be carried out under regulations prescribed*
 4 *for purposes of this section.*

5 “(2) *Paragraph (1) applies with respect to a proposed*
 6 *fiduciary who is—*

7 “(A) *the parent (natural, adopted, or stepparent)*
 8 *of a beneficiary who is a minor;*

9 “(B) *the spouse or parent of an incompetent ben-*
 10 *eficiary;*

11 “(C) *a person who has been appointed a fidu-*
 12 *ciary of the beneficiary by a court of competent juris-*
 13 *diction;*

14 “(D) *being appointed to manage an estate where*
 15 *the annual amount of veterans benefits to be managed*
 16 *by the proposed fiduciary does not exceed \$3,600, as*
 17 *adjusted pursuant to section 5312 of this title; or*

18 “(E) *a person who is authorized to act on behalf*
 19 *of the beneficiary under a durable power of attorney.*

20 “(d) *PROTECTION OF PRIVATE INFORMATION.—(1) A*
 21 *fiduciary shall take all reasonable precautions to—*

22 “(A) *protect the private information of a bene-*
 23 *ficiary, including personally identifiable information;*
 24 *and*

25 “(B) *securely conducts financial transactions.*

1 “(2) *A fiduciary shall notify the Secretary of any ac-*
 2 *tion of the fiduciary that compromises or potentially com-*
 3 *promises the private information of a beneficiary.*

4 “(e) *POTENTIAL MISUSE OF FUNDS.—(1) If the Sec-*
 5 *retary has reason to believe that a fiduciary may be mis-*
 6 *using all or part of the benefit of a beneficiary, the Sec-*
 7 *retary shall—*

8 “(A) *conduct a thorough investigation to deter-*
 9 *mine the veracity of such belief; and*

10 “(B) *if such veracity is established, transmit to*
 11 *the officials described in paragraph (2) a report of*
 12 *such investigation.*

13 “(2) *The officials described in this paragraph are the*
 14 *following:*

15 “(A) *The Attorney General.*

16 “(B) *Each head of a Federal department or*
 17 *agency that pays to a fiduciary or other person bene-*
 18 *fits under any law administered by such department*
 19 *of agency for the use and benefit of a minor, incom-*
 20 *petent, or other beneficiary.*

21 “(f) *BOND.—In determining whether a proposed fidu-*
 22 *ciary is required to furnish a bond under subsection (a)(4),*
 23 *the Secretary shall consider—*

1 “(1) *the existence of any familial or other per-*
 2 *sonal relationship between the proposed fiduciary and*
 3 *the beneficiary; and*

4 “(2) *the care the proposed fiduciary has taken to*
 5 *protect the interests of the beneficiary.*

6 “(g) *LIST OF FIDUCIARIES.—Each regional office of*
 7 *the Veterans Benefits Administration shall maintain a list*
 8 *of the following:*

9 “(1) *The name and contact information of each*
 10 *fiduciary, including address, telephone number, and*
 11 *email address.*

12 “(2) *With respect to each fiduciary described in*
 13 *paragraph (1)—*

14 “(A) *the date of the most recent background*
 15 *check and credit check performed by the Sec-*
 16 *retary under this section;*

17 “(B) *the date that any bond was paid*
 18 *under this section;*

19 “(C) *the name, address, and telephone num-*
 20 *ber of each beneficiary the fiduciary acts on be-*
 21 *half of; and*

22 “(D) *the amount that the fiduciary controls*
 23 *with respect to each beneficiary described in sub-*
 24 *paragraph (C).”.*

25 “(e) *ANNUAL RECEIPT OF PAYMENTS.—*

1 (1) *IN GENERAL.*—Section 5509 of title 38,
2 *United States Code*, is amended—

3 (A) *in subsection (a)*—

4 (i) *by striking “may require a fidu-*
5 *ciary to file a” and inserting “shall require*
6 *a fiduciary to file an annual”; and*

7 (ii) *by adding at the end the following*
8 *new sentence: “The Secretary shall transmit*
9 *such annual report or accounting to the*
10 *beneficiary and any legal guardian of such*
11 *beneficiary.”;*

12 (B) *by adding at the end the following new*
13 *subsections:*

14 “(c) *MATTERS INCLUDED.*—*Except as provided by*
15 *subsection (f), an annual report or accounting under sub-*
16 *section (a) shall include the following:*

17 “(1) *For each beneficiary that a fiduciary acts*
18 *on behalf of—*

19 “(A) *the amount of the benefits of the bene-*
20 *ficiary provided under any law administered by*
21 *the Secretary accrued during the year, the*
22 *amount spent, and the amount remaining; and*

23 “(B) *if the fiduciary serves the beneficiary*
24 *with respect to benefits not administered by the*
25 *Secretary, an accounting of all sources of benefits*

1 or other income the fiduciary oversees for the
2 beneficiary.

3 “(2) A list of events that occurred during the
4 year covered by the report that could affect the ability
5 of the fiduciary to act on behalf of the beneficiary, in-
6 cluding—

7 “(A) the fiduciary being convicted of any
8 crime;

9 “(B) the fiduciary declaring bankruptcy;
10 and

11 “(C) any judgments entered against the fi-
12 duciary.

13 “(d) *RANDOM AUDITS.*—The Secretary shall annually
14 conduct random audits of fiduciaries who receive a commis-
15 sion pursuant to subsection 5502A(a)(1) of this title.

16 “(e) *STATUS OF FIDUCIARY.*—If a fiduciary includes
17 in the annual report events described in subsection (c)(2),
18 the Secretary may take appropriate action to adjust the sta-
19 tus of the fiduciary as the Secretary determines appro-
20 priate, including by revoking the fiduciary status of the fi-
21 duciary.

22 “(f) *CAREGIVERS AND CERTAIN OTHER FIDU-*
23 *CIARIES.*—(1)(A) In carrying out this section, the Secretary
24 shall ensure that a caregiver fiduciary is required only to
25 file an annual report or accounting under subsection (a)

1 *with respect to the amount of the benefits of the beneficiary*
2 *provided under any law administered by the Secretary—*

3 *“(i) spent on—*

4 *“(I) food and housing for the beneficiary;*
5 *and*

6 *“(II) clothing, health-related expenses, recre-*
7 *ation, and other personal items for the bene-*
8 *ficiary; and*

9 *“(ii) saved for the beneficiary.*

10 *“(B) The Secretary shall coordinate with the Under*
11 *Secretary for Benefits and the Under Secretary for Health*
12 *to—*

13 *“(i) minimize the frequency with which employ-*
14 *ees of the Department visit the home of a caregiver fi-*
15 *ducuary and beneficiary; and*

16 *“(ii) limit the extent of supervision by such*
17 *Under Secretaries with respect to such a fiduciary*
18 *and beneficiary.*

19 *“(C) In this paragraph, the term ‘caregiver fiduciary’*
20 *means a fiduciary who—*

21 *“(i) in addition to acting as a fiduciary for a*
22 *beneficiary, is approved by the Secretary to be a pro-*
23 *vider of personal care services for the beneficiary*
24 *under paragraph (3)(A)(i) of section 1720G(a) of this*
25 *title;*

1 “(ii) in carrying out such care services to such
2 beneficiary, has undergone not less than four home
3 visits under paragraph (9)(A) of such section; and

4 “(iii) has not been required by the Secretary to
5 take corrective action pursuant to paragraph (9)(C)
6 of such section.

7 “(2) In carrying out this section, the Secretary may
8 adjust the matters required under an annual report or ac-
9 counting under subsection (a) with respect to a fiduciary
10 whom the Secretary determines to have effectively protected
11 the interests of the beneficiary over a sustained period.”;
12 and

13 (C) by striking the section heading and in-
14 serting the following: “**Annual reports and**
15 **accountings of fiduciaries**”.

16 (2) CLERICAL AMENDMENT.—The table of sec-
17 tions at the beginning of chapter 55 of title 38,
18 United States Code, is amended by striking the item
19 relating to section 5509 and inserting the following
20 new item:

“5509. Annual reports and accountings of fiduciaries.”.

21 (f) REPAYMENT OF MISUSED BENEFITS.—Section
22 6107(a)(2)(C) of title 38, United States Code, is amended
23 by inserting before the period the following: “, including
24 by the Secretary not acting in accordance with section 5507
25 of this title”.

1 (g) *ANNUAL REPORTS.*—Section 5510 of title 38,
 2 *United States Code*, is amended by striking “The Secretary
 3 shall include in the Annual Benefits Report of the Veterans
 4 Benefits Administration or the Secretary’s Annual Per-
 5 formance and Accountability Report” and inserting “Not
 6 later than July 1 of each year, the Secretary shall submit
 7 to the Committees on Veterans’ Affairs of the House of Rep-
 8 resentatives and the Senate a separate report containing”.

9 (h) *REPORT.*—Not later than two years after the date
 10 of the enactment of this Act, the Secretary of Veterans Af-
 11 fairs shall submit to the Committee on Veterans’ Affairs of
 12 the Senate and the Committee on Veterans’ Affairs of the
 13 House of Representatives a comprehensive report on the im-
 14 plementation of the amendments made by this Act, includ-
 15 ing—

16 (1) detailed information on the establishment of
 17 new policies and procedures pursuant to such amend-
 18 ments and training provided on such policies and
 19 procedures; and

20 (2) a discussion of whether the Secretary should
 21 provide fiduciaries with standardized financial soft-
 22 ware to simplify reporting requirements.

23 (i) *EFFECTIVE DATE.*—The amendments made by this
 24 section shall take effect on the date that is one year after
 25 the date of the enactment of this Act.

1 **SEC. 10. BOARD OF VETERANS' APPEALS VIDEO HEARINGS.**

2 *Section 7107 of title 38, United States Code, is amend-*
3 *ed—*

4 *(1) in subsection (d), by amending paragraph*
5 *(1) to read as follows:*

6 *“(1)(A) Upon request for a hearing, the Board shall*
7 *determine, for purposes of scheduling the hearing for the*
8 *earliest possible date, whether a hearing before the Board*
9 *will be held at its principal location or at a facility of the*
10 *Department or other appropriate Federal facility located*
11 *within the area served by a regional office of the Depart-*
12 *ment. The Board shall also determine whether to provide*
13 *a hearing through the use of the facilities and equipment*
14 *described in subsection (e)(1) or by the appellant personally*
15 *appearing before a Board member or panel.*

16 *“(B) The Board shall notify the appellant of the deter-*
17 *minations of the location and type of hearing made under*
18 *subparagraph (A). Upon notification, the appellant may re-*
19 *quest a different location or type of hearing as described*
20 *in such subparagraph. If so requested, the Board shall grant*
21 *such request and ensure that the hearing is scheduled at*
22 *the earliest possible date without any undue delay or other*
23 *prejudice to the appellant.”; and*

24 *(2) in subsection (e), by amending paragraph (2)*
25 *to read as follows:*

1 “(2) *Any hearing provided through the use of the fa-*
 2 *cilities and equipment described in paragraph (1) shall be*
 3 *conducted in the same manner as, and shall be considered*
 4 *the equivalent of, a personal hearing.*”.

5 **SEC. 11. IMPROVEMENTS TO AUTHORITY FOR PERFORM-**
 6 **ANCE OF MEDICAL DISABILITIES EXAMINA-**
 7 **TIONS BY CONTRACT PHYSICIANS.**

8 (a) *EXTENSION OF TEMPORARY AUTHORITY.*—Sub-
 9 *section (c) of section 704 of the Veterans Benefits Act of*
 10 *2003 (38 U.S.C. 5101 note) is amended by striking “Decem-*
 11 *ber 31, 2015” and inserting “December 31, 2017”.*

12 (b) *LICENSURE OF CONTRACT PHYSICIANS.*—

13 (1) *TEMPORARY AUTHORITY.*—*Such section 704*
 14 *is further amended—*

15 (A) *by redesignating subsection (d) as sub-*
 16 *section (e); and*

17 (B) *by inserting after subsection (c) the fol-*
 18 *lowing new subsection (d):*

19 “(d) *LICENSURE OF CONTRACT PHYSICIANS.*—

20 “(1) *IN GENERAL.*—*Notwithstanding any law re-*
 21 *garding the licensure of physicians, a physician de-*
 22 *scribed in paragraph (2) may conduct an examina-*
 23 *tion pursuant to a contract entered into under sub-*
 24 *section (b) at any location in any State, the District*
 25 *of Columbia, or a Commonwealth, territory, or posses-*

1 *sion of the United States, so long as the examination*
 2 *is within the scope of the authorized duties under*
 3 *such contract.*

4 “(2) *PHYSICIAN DESCRIBED.*—*A physician de-*
 5 *scribed in this paragraph is a physician who—*

6 “(A) *has a current unrestricted license to*
 7 *practice the health care profession of the physi-*
 8 *cian;*

9 “(B) *is not barred from practicing such*
 10 *health care profession in any State, the District*
 11 *of Columbia, or a Commonwealth, territory, or*
 12 *possession of the United States; and*

13 “(C) *is performing authorized duties for the*
 14 *Department of Veterans Affairs pursuant to a*
 15 *contract entered into under subsection (b).”.*

16 (2) *PILOT PROGRAM.*—*Section 504 of the Vet-*
 17 *erans’ Benefits Improvement Act of 1996 (38 U.S.C.*
 18 *5101 note) is amended—*

19 (A) *by redesignating subsections (c) and (d)*
 20 *as subsections (d) and (e), respectively; and*

21 (B) *by inserting after subsection (b) the fol-*
 22 *lowing new subsection (c):*

23 “(c) *LICENSURE OF CONTRACT PHYSICIANS.*—

24 “(1) *IN GENERAL.*—*Notwithstanding any law re-*
 25 *garding the licensure of physicians, a physician de-*

scribed in paragraph (2) may conduct an examination pursuant to a contract entered into under subsection (a) at any location in any State, the District of Columbia, or a Commonwealth, territory, or possession of the United States, so long as the examination is within the scope of the authorized duties under such contract.

“(2) *PHYSICIAN DESCRIBED.*—A physician described in this paragraph is a physician who—

“(A) has a current unrestricted license to practice the health care profession of the physician;

“(B) is not barred from practicing such health care profession in any State, the District of Columbia, or a Commonwealth, territory, or possession of the United States; and

“(C) is performing authorized duties for the Department of Veterans Affairs pursuant to a contract entered into under subsection (a).”.

SEC. 12. PILOT PROGRAM ON FULLY DEVELOPED APPEALS.

(a) *IN GENERAL.*—The Secretary of Veterans Affairs shall carry out a pilot program to provide the option of an alternative appeals process that shall more quickly determine such appeals in accordance with this section.

(b) *ELECTION.*—

1 (1) *FILING.*—*In accordance with paragraph (2),*
2 *a claimant may elect to file a fully developed appeal*
3 *under the pilot program under subsection (a) by fil-*
4 *ing with the Secretary the following:*

5 (A) *The notice of disagreement under chap-*
6 *ter 71 of title 38, United States Code, along with*
7 *the written election of the claimant to have the*
8 *appeal determined under the pilot program.*

9 (B) *All evidence that the claimant believes*
10 *is needed for the appeal as of the date of the fil-*
11 *ing.*

12 (C) *A statement of the argument in support*
13 *of the claim, if any.*

14 (2) *TIMING.*—*A claimant shall make an election*
15 *under paragraph (1) as part of the notice of disagree-*
16 *ment filed by the claimant in accordance with para-*
17 *graph (1)(A).*

18 (3) *REVERSION.*—

19 (A) *At any time, a claimant who makes an*
20 *election under paragraph (1) may elect to revert*
21 *to the standard appeals process. Such a reversion*
22 *shall be final.*

23 (B) *A claimant described in subparagraph*
24 *(A), or a claimant who makes an election under*
25 *paragraph (1) but is later determined to be ineli-*

1 gible for the pilot program under subsection (a),
2 shall revert to the standard appeals process with-
3 out any penalty to the claimant other than the
4 loss of the docket number associated with the
5 fully developed appeal.

6 (4) *OUTREACH.*—In providing claimants with
7 notices of the determination of a claim during the pe-
8 riod in which the pilot program under subsection (a)
9 is carried out, the Secretary shall conduct outreach as
10 follows:

11 (A) The Secretary shall provide to the
12 claimant (and to the representative of record of
13 the claimant, if any) information regarding—

14 (i) the pilot program, including the
15 advantages and disadvantages of the pro-
16 gram;

17 (ii) how to make an election under
18 paragraph (1);

19 (iii) the limitation on the use of new
20 evidence described in paragraph (3) of sub-
21 section (c) and the development of informa-
22 tion under paragraph (4) of such sub-
23 section; and

24 (iv) the ability of the claimant to seek
25 advice and education regarding such process

1 *from veterans service organizations, attor-*
2 *neys, and claims agents recognized under*
3 *chapter 59 of title 38, United States Code.*

4 *(B) The Secretary shall collaborate, partner*
5 *with, and give weight to the advice of the three*
6 *veterans service organizations with the most*
7 *members to publish on the Internet website of the*
8 *Department of Veterans Affairs an online tuto-*
9 *rial explaining the advantages and disadvan-*
10 *tages of the pilot program.*

11 *(c) TREATMENT BY DEPARTMENT AND BOARD.—*

12 *(1) PROCESS.—Upon the election of a claimant*
13 *to file a fully developed appeal pursuant to subsection*
14 *(b)(1), the Secretary shall—*

15 *(A) not provide the claimant with a state-*
16 *ment of the case nor require the claimant to file*
17 *a substantive appeal; and*

18 *(B) transfer jurisdiction over the fully de-*
19 *veloped appeal directly to the Board of Veterans’*
20 *Appeals.*

21 *(2) DOCKET.—*

22 *(A) The Board of Veterans’ Appeals shall—*

23 *(i) maintain fully developed appeals*
24 *on a separate docket than standard appeals;*

1 (ii) decide fully developed appeals in
2 the order that the fully developed appeals
3 are received on the fully developed appeal
4 docket;

5 (iii) except as provided by subpara-
6 graph (B), decide not more than one fully
7 developed appeal for each four standard ap-
8 peals decided; and

9 (iv) to the extent practicable, decide
10 each fully developed appeal by the date that
11 is one year following the date on which the
12 claimant files the notice of disagreement.

13 (B) Beginning one year after the date on
14 which the pilot program under subsection (a)
15 commences, the Board may adjust the number of
16 standard appeals decided for each fully developed
17 appeal under subparagraph (A)(iii) if the Board
18 determines that such adjustment is fair for both
19 standard appeals and fully developed appeals.

20 (3) LIMITATION ON USE OF NEW EVIDENCE.—

21 (A) Except as provided by subparagraphs
22 (B) and (C)—

23 (i) a claimant may not submit or
24 identify to the Board of Veterans' Appeals
25 any new evidence relating to a fully devel-

1 *oped appeal after filing such appeal unless*
2 *the claimant reverts to the standard appeals*
3 *process pursuant to subsection (b)(3); and*

4 *(ii) if a claimant submits or identifies*
5 *any such new evidence, such submission or*
6 *identification shall be deemed to be an elec-*
7 *tion to make such a reversion pursuant to*
8 *subsection (b)(3).*

9 *(B) Subparagraph (A) shall not apply to*
10 *evidence developed pursuant to paragraphs (4)*
11 *and (5). The Board shall consider such evidence*
12 *in the first instance without consideration by the*
13 *Veterans Benefits Administration.*

14 *(C) The representative of record of a claim-*
15 *ant for appeals purposes, if any, shall be pro-*
16 *vided an opportunity to review the fully devel-*
17 *oped appeal of the claimant and submit any ad-*
18 *ditional arguments or evidence that the rep-*
19 *resentative determines necessary during a period*
20 *specified by the Board for purposes of this sub-*
21 *paragraph.*

22 *(4) PROHIBITION ON REMAND FOR ADDITIONAL*
23 *DEVELOPMENT.—If the Board of Veterans' Appeals*
24 *determines that a fully developed appeal requires Fed-*

1 *eral records, independent medical opinions, or new*
2 *medical examinations, the Board shall—*

3 *(A) in accordance with paragraph (5), take*
4 *such actions as may be necessary to develop such*
5 *records, opinions, or examinations in accordance*
6 *with section 5103A of title 38, United States*
7 *Code;*

8 *(B) retain jurisdiction of the fully developed*
9 *appeal without requiring a determination by the*
10 *Veterans Benefits Administration based on such*
11 *records, opinions, or examinations;*

12 *(C) ensure the claimant, and the representa-*
13 *tive of record of a claimant, if any, receives a*
14 *copy of such records, opinions, or examinations;*
15 *and*

16 *(D) provide the claimant a period of 90*
17 *days after the date of mailing such records, opin-*
18 *ions, or examinations during which the claimant*
19 *may provide the Board any additional evidence*
20 *without requiring the claimant to make a rever-*
21 *sion pursuant to subsection (b)(3).*

22 *(5) DEVELOPMENT UNIT.—*

23 *(A) The Board of Veterans' Appeals shall es-*
24 *tablish an office to develop Federal records, inde-*
25 *pendent medical opinions, and new medical ex-*

1 *aminations pursuant to paragraph (4)(A) that*
2 *the Board determines necessary to decide a fully*
3 *developed appeal.*

4 *(B) The Secretary shall—*

5 *(i) ensure that the Veterans Benefits*
6 *Administration cooperates with the Board*
7 *of Veterans' Appeals in carrying out sub-*
8 *paragraph (A); and*

9 *(ii) transfer employees of the Veterans*
10 *Benefits Administration who, prior to the*
11 *enactment of this Act, were responsible for*
12 *processing claims remanded by the Board of*
13 *Veterans' Appeals to positions within the of-*
14 *fice of the Board established under subpara-*
15 *graph (A) in a number the Secretary deter-*
16 *mines sufficient to carry out such subpara-*
17 *graph.*

18 *(6) HEARINGS.—Notwithstanding section 7107*
19 *of title 38, United States Code, the Secretary may not*
20 *provide hearings with respect to fully developed ap-*
21 *peals. If a claimant requests to hold a hearing pursu-*
22 *ant to such section 7107, such request shall be deemed*
23 *to be an election to revert to the standard appeals*
24 *process pursuant to subsection (b)(3).*

1 (d) *DURATION; APPLICATION.*—*The Secretary shall*
2 *carry out the pilot program under subsection (a) for a five-*
3 *year period beginning one year after the date of the enact-*
4 *ment of this Act. This section shall apply only to fully devel-*
5 *oped appeals that are filed during such period.*

6 (e) *REPORTS.*—*During each year in which the pilot*
7 *program under subsection (a) is carried out, the Secretary*
8 *shall submit to the Committees on Veterans' Affairs of the*
9 *House of Representatives and the Senate a report on the*
10 *pilot program. The first such report shall be submitted by*
11 *not later than 180 days after the date on which the pilot*
12 *program commences. Each report shall include the fol-*
13 *lowing:*

14 (1) *For the period covered by the report—*

15 (A) *the number of claimants who filed a*
16 *fully developed appeal under the pilot program;*

17 (B) *the average processing time for each*
18 *such appeal, measured by each phase of the ap-*
19 *peal, and, if the processing time for appeals ex-*
20 *ceed one year, the reasons for such processing*
21 *time;*

22 (C) *a summary of reasons for which the de-*
23 *velopment of evidence was required under sub-*
24 *section (c)(5);*

1 (D) the number of issues decided, listed by
2 the disposition of the issue;

3 (E) of the number identified in subpara-
4 graph (D), the number of issues for which evi-
5 dence was not so developed, listed by the dispo-
6 sition of the issue;

7 (F) of the number of fully developed appeals
8 decided by the Board of Veterans' Appeals, the
9 number of cases from each agency of original ju-
10 risdiction, listed by the disposition of the issue;

11 (G) the number of fully developed appeals
12 appealed to the Court of Appeals for Veterans
13 Claims, listed by the disposition of the case;

14 (H) the number of reversions made under
15 subsection (b)(3); and

16 (I) any reasons for why a claimant was de-
17 termined to be ineligible to participate in the
18 pilot program.

19 (2) A review, made in conjunction with veterans
20 service organizations, of the efforts of the Secretary to
21 provide clear rating decisions and improve disability
22 rating notification letters, including with respect to—

23 (A) the opinions of veterans service organi-
24 zations regarding such efforts; and

1 (B) how the pilot program improves such
2 efforts.

3 (3) A recommendation for any changes to im-
4 prove the pilot program.

5 (4) An assessment of the feasibility and advis-
6 ability of expanding the pilot program.

7 (f) *REGULATIONS.*—Not later than one day after the
8 date of the enactment of this Act, the Secretary shall publish
9 interim guidance on the pilot program under subsection
10 (a). Not later than 90 days after such date of enactment,
11 the Secretary shall prescribe regulations to carry out such
12 pilot program.

13 (g) *DEFINITIONS.*—In this section:

14 (1) The term “claimant” has the meaning given
15 that term in section 5100 of title 38, United States
16 Code.

17 (2) The term “compensation” has the meaning
18 given that term in section 101 of title 38, United
19 States Code.

20 (3) The term “fully developed appeal” means an
21 appeal of a claim for disability compensation that
22 is—

23 (A) filed by a claimant in accordance with
24 subsection (b)(1); and

1 (B) considered in accordance with this sec-
2 tion.

3 (4) The term “standard appeal” means an ap-
4 peal of a claim for disability compensation that is
5 not a fully developed appeal.

6 **SEC. 13. DEADLINE FOR CERTIFICATION OF APPEALS**
7 **FORMS BY REGIONAL OFFICES OF THE DE-**
8 **PARTMENT OF VETERANS AFFAIRS.**

9 The Secretary of Veterans Affairs shall take such steps
10 as may be necessary to ensure that when a regional office
11 of the Department of Veterans Affairs receives a form known
12 as “VA Form 9, Appeal to Board of Veterans’ Appeals”,
13 or any successor form, submitted by a veteran to appeal
14 a decision relating to a claim, the regional office certifies
15 such form by not later than one year after the date of the
16 receipt of the form.

17 **SEC. 14. EVALUATION OF BACKLOG OF DISABILITY CLAIMS**
18 **AND APPEALS OF CLAIMS OF DEPARTMENT**
19 **OF VETERANS AFFAIRS.**

20 (a) *IN GENERAL.*—There is established a commission
21 or task force to evaluate the backlog of claims within the
22 Department of Veterans Affairs and the appeals process of
23 claims.

24 (b) *STUDIES.*—

25 (1) *BACKLOG STUDY.*—

1 (A) *IN GENERAL.*—*The Commission or Task*
2 *Force, acting through the subcommittee described*
3 *in subsection (d)(2)(A), shall carry out a study*
4 *on the backlog of claims, including the current*
5 *process the Secretary of Veterans Affairs uses to*
6 *evaluate claims and appeals and the laws and*
7 *regulations applicable to such claims and ap-*
8 *peals. Such study shall be a comprehensive eval-*
9 *uation and assessment of the backlog of claims,*
10 *an analysis of possible improvements to the pro-*
11 *cedures used to process such claims, and any re-*
12 *lated issues that the Commission or Task Force*
13 *considers relevant.*

14 (B) *MATTERS INCLUDED.*—*In carrying out*
15 *the study under subparagraph (A), the Commis-*
16 *sion or Task Force shall examine the following:*

17 (i) *The backlog of claims, including an*
18 *analysis of—*

19 (I) *the most effective means to*
20 *quickly and accurately resolve all*
21 *claims pending as of the date of the*
22 *study; and*

23 (II) *with respect to the Depart-*
24 *ment, the annual funding, number of*
25 *full-time employees, workload manage-*

1 *ment practices, and the progress, as of*
2 *the date of the study, of the strategic*
3 *plan.*

4 *(ii) Possible improvements to the*
5 *claims process, including an evaluation and*
6 *recommendations with respect to whether*
7 *substantive and structural changes to the*
8 *overall claims process are required.*

9 *(iii) In carrying out the evaluation*
10 *and recommendations under subparagraph*
11 *(B), an examination of—*

12 *(I) options that make no major*
13 *substantive changes to the claims proc-*
14 *ess;*

15 *(II) options that maintain the*
16 *process but make minor changes; and*

17 *(III) options that make broad*
18 *changes to the process.*

19 *(2) APPEALS PROCESS STUDY.—*

20 *(A) IN GENERAL.—The Commission or Task*
21 *Force, acting through the subcommittee described*
22 *in subsection (d)(2)(B), shall carry out a study*
23 *on the anticipated increase of appeals of claims,*
24 *including the current appeals process and the*
25 *laws and regulations applicable to such appeals.*

1 *Such study shall be a comprehensive evaluation*
2 *and assessment of such anticipated increase of*
3 *appeals claims, an analysis of possible improve-*
4 *ments to the procedures used to process such ap-*
5 *peals, and any related issues that the Commis-*
6 *sion or Task Force considers relevant.*

7 *(B) MATTERS INCLUDED.—In carrying out*
8 *the study under subparagraph (A), the Commis-*
9 *sion or Task Force shall examine the following:*

10 *(i) The anticipated surge in appeals of*
11 *claims, including an analysis of—*

12 *(I) the most effective means to*
13 *quickly and accurately resolve pending*
14 *appeals and future appeals;*

15 *(II) with respect to both the*
16 *Board and the Court of Appeals for*
17 *Veterans Claims, the annual funding,*
18 *number of full-time employees, work-*
19 *load management practices, and the*
20 *progress, as of the date of the study, of*
21 *the strategic plan; and*

22 *(III) the efficiency, effectiveness,*
23 *and utility of the Veterans Benefits*
24 *Management System with respect to*
25 *appeals operations, including an iden-*

1 *tification of key changes that may need*
2 *to be implemented to such system.*

3 *(ii) Possible improvements to the ap-*
4 *peals process, including an evaluation and*
5 *recommendations with respect to whether*
6 *substantive and structural changes to the*
7 *overall appeals process are required.*

8 *(iii) In carrying out the evaluation*
9 *and recommendations under clause (ii), an*
10 *examination of—*

11 *(I) options that make no major*
12 *substantive changes to the appeals*
13 *process;*

14 *(II) options that maintain the*
15 *process but make minor changes;*

16 *(III) options that make broad*
17 *changes to the process;*

18 *(IV) the necessity of the multi-*
19 *tiered levels of appeals at the regional*
20 *office level, including filing a notice of*
21 *disagreement, receipt of a statement of*
22 *the case, supplemental statement of the*
23 *case (if applicable), and substantive*
24 *appeal (VA Form 9);*

1 (V) *the role of the Board and the*
2 *Appeals Management Center, includ-*
3 *ing—*

4 (aa) *the effectiveness of the*
5 *workload management of the*
6 *Board and the Center;*

7 (bb) *whether the Board and*
8 *Center should be regionalized or*
9 *maintain the centralized structure*
10 *in the District of Columbia;*

11 (cc) *whether Board members*
12 *should be required to pass the ad-*
13 *ministrative law judges certifi-*
14 *cation examination; and*

15 (dd) *whether the Board*
16 *should continue to require de novo*
17 *review of appeals; and*

18 (VI) *the role of the Court of Ap-*
19 *peals for Veterans Claims and the*
20 *United States Court of Appeals for the*
21 *Federal Circuit, including—*

22 (aa) *the continued effective-*
23 *ness and necessity of a multi-*
24 *tiered structure of judicial review;*

1 (bb) whether the Court of Ap-
2 peals for Veterans Claims should
3 have Article I or Article III sta-
4 tus;

5 (cc) expansion of either the
6 Court of Appeals for Veterans
7 Claims or the United States Court
8 of Appeals for the Federal Circuit
9 jurisdiction, including by allow-
10 ing such courts to hear class ac-
11 tion lawsuits with respect to
12 claims; and

13 (dd) the possibility of ex-
14 panding judicial review of claims
15 to all Federal circuit courts of ap-
16 peals or allowing judicial review
17 beyond the Court of Appeals for
18 Veterans Claims only by the Su-
19 preme Court.

20 (3) *CONSIDERATION.*—In carrying out the stud-
21 ies under paragraph (1)(A) and (2)(A) and making
22 any recommendations under this section, the Commis-
23 sion or Task Force shall consider the following:

1 (A) *The interests of veterans, including with*
2 *respect to accuracy, fairness, and transparency*
3 *in the claims process of the Department.*

4 (B) *The values and requirements of the*
5 *Constitution, including with respect to compli-*
6 *ance with procedural and substantive due proc-*
7 *ess.*

8 (C) *The public interest, including with re-*
9 *spect to the responsible use of available resources.*

10 (D) *With respect to the study conducted*
11 *under paragraph (1)(A), the importance of the*
12 *claimant friendly, nonadversarial nature of the*
13 *claims process.*

14 (E) *With respect to the study conducted*
15 *under paragraph (2)(A), the importance of an*
16 *appeals process that is efficient and easily un-*
17 *derstandable by a claimant.*

18 (4) *ROLE OF SECRETARY, CHAIRMAN OF THE*
19 *BOARD, AND CHIEF JUDGE.—*

20 (A) *INFORMATION.—In carrying out each*
21 *study under paragraph (1)(A) and (2)(A), at*
22 *times that the Commission or Task Force deter-*
23 *mines appropriate, the Commission or Task*
24 *Force shall submit to the Secretary of Veterans*
25 *Affairs, the Chairman of the Board, and the*

1 *Chief Judge of the Court of Appeals for Veterans*
2 *Claims, as the case may be, information with re-*
3 *spect to remedies and solutions that the Commis-*
4 *sion or Task Force identifies pursuant to such a*
5 *study.*

6 *(B) IMPLEMENTATION.—The Secretary, the*
7 *Chairman of the Board, and the Chief Judge*
8 *shall each—*

9 *(i) fully consider the remedies and so-*
10 *lutions submitted to the Secretary, the*
11 *Chairman, or the Chief Judge, as the case*
12 *may be, under subparagraph (A);*

13 *(ii) implement such remedies and solu-*
14 *tions as the Secretary, the Chairman, or the*
15 *Chief Judge, respectively, determines appro-*
16 *priate; and*

17 *(iii) submit to Congress justification*
18 *for failing to implement any such remedy*
19 *or solution.*

20 *(C) PLAN.—The Commission or Task Force*
21 *shall submit to the Secretary, the Chairman of*
22 *the Board, and the Chief Judge a feasible, time-*
23 *ly, and cost-effective plan to eliminate the back-*
24 *log of appeals of claims based on the remedies*
25 *and solutions identified pursuant to the study*

1 under paragraph (2)(A) and the information
2 submitted under subparagraph (A).

3 (c) *COMPREHENSIVE REPORTS.*—

4 (1) *INITIAL COMPREHENSIVE REPORT.*—Not later
5 than 60 days after the date on which the Commission
6 or Task Force first meets, the Commission or Task
7 Force shall submit to the President and Congress an
8 initial comprehensive report on the studies conducted
9 under paragraphs (1)(A) and (2)(A) of subsection (b),
10 including—

11 (A) *the findings of the causes of the backlog*
12 *of claims;*

13 (B) *a proposed plan to handle the antici-*
14 *pated surge in appeals of claims; and*

15 (C) *the level of cooperation the Commission*
16 *or Task Force has received from the Secretary*
17 *and the heads of other departments or agencies*
18 *of the Federal Government.*

19 (2) *INTERIM COMPREHENSIVE REPORTS.*—Not
20 later than 90 days after the date on which the Com-
21 mission or Task Force first meets, and each 30-day
22 period thereafter ending on the date on which the
23 Commission or Task Force submits the final com-
24 prehensive report under paragraph (3), the Commis-

1 *sion or Task Force shall submit to the President and*
2 *Congress a comprehensive report on—*

3 *(A) the progress of the Secretary with re-*
4 *spect to implementing solutions to expedite the*
5 *elimination of the backlog of claims pursuant to*
6 *subsection (b)(4)(B)(ii);*

7 *(B) the progress of the Secretary, the Chair-*
8 *man of the Board, and the Chief Judge of the*
9 *Court of Appeals for Veterans Claims with re-*
10 *spect to implementing solutions to complete ap-*
11 *peals of claims in a timely manner in a timely*
12 *manner pursuant to such subsection; and*

13 *(C) the level of cooperation the Commission*
14 *or Task Force has received from the Secretary*
15 *and the heads of other departments or agencies*
16 *of the Federal Government.*

17 *(3) FINAL COMPREHENSIVE REPORT.—Not later*
18 *than 180 days after the date on which the Commis-*
19 *sion or Task Force first meets, the Commission or*
20 *Task Force shall submit to the President and Con-*
21 *gress a comprehensive report on the following:*

22 *(A) With respect to the study conducted*
23 *under subsection (b)(1)(A)—*

24 *(i) The findings, conclusions, and rec-*
25 *ommendations of the Commission or Task*

1 *Force with respect to the matters referred to*
2 *in such subsection.*

3 (ii) *The recommendations of the Com-*
4 *mission or Task Force for revising and im-*
5 *proving the backlog of claims and the proce-*
6 *dures used to process claims.*

7 (iii) *The progress of the Secretary with*
8 *respect to implementing solutions to expe-*
9 *dite the elimination of the backlog of claims*
10 *pursuant to subsection (b)(4)(B)(ii).*

11 (iv) *Other information and rec-*
12 *ommendations with respect to claims as the*
13 *Commission or Task Force considers appro-*
14 *priate.*

15 (B) *With respect to the study conducted*
16 *under subsection (b)(2)(A)—*

17 (i) *The findings, conclusions, and rec-*
18 *ommendations of the Commission or Task*
19 *Force with respect to the matters referred to*
20 *in such subsection.*

21 (ii) *The recommendations of the Com-*
22 *mission or Task Force for revising and im-*
23 *proving the appeals process;*

24 (iii) *The information described in sub-*
25 *section (b)(4)(A).*

1 (iv) *The feasible, timely, and cost effective*
2 *plan described in subsection (b)(4)(C).*

3 (v) *The progress of the Secretary, the*
4 *Chairman of the Board, and the Chief*
5 *Judge of the Court of Appeals for Veterans*
6 *Claims with respect to implementing solu-*
7 *tions to provide timely appeals of claims.*

8 (vi) *Other information and rec-*
9 *ommendations with respect to the appeals*
10 *process as the Commission or Task Force*
11 *considers appropriate.*

12 (d) *MEMBERSHIP.—*

13 (1) *NUMBER AND APPOINTMENT.—The Commis-*
14 *sion or Task Force shall be composed of 15 members,*
15 *appointed as follows:*

16 (A) *Two members appointed by the Speaker*
17 *of the House of Representatives, one of whom*
18 *shall be designated to serve upon the Sub-*
19 *committee on the Backlog of Claims and one of*
20 *whom shall be designated to serve upon the Sub-*
21 *committee on Appeals.*

22 (B) *Two members appointed by the minor-*
23 *ity leader of the House of Representatives, one of*
24 *whom shall be designated to serve upon the Sub-*
25 *committee on the Backlog of Claims and one of*

1 *whom shall be designated to serve upon the Sub-*
2 *committee on Appeals.*

3 *(C) Two members appointed by the major-*
4 *ity leader of the Senate, one of whom shall be*
5 *designated to serve upon the Subcommittee on*
6 *the Backlog of Claims and one of whom shall be*
7 *designated to serve upon the Subcommittee on*
8 *Appeals.*

9 *(D) Two members appointed by the minor-*
10 *ity leader of the Senate, one of whom shall be*
11 *designated to serve upon the Subcommittee on*
12 *the Backlog of Claims and one of whom shall be*
13 *designated to serve upon the Subcommittee on*
14 *Appeals.*

15 *(E) Three members appointed by the Presi-*
16 *dent, two of whom shall be designated to serve*
17 *upon the Subcommittee on the Backlog of Claims*
18 *and one of whom shall be designated to serve*
19 *upon the Subcommittee on Appeals.*

20 *(F) One member appointed by the Secretary*
21 *of Defense, whom shall be designated to serve*
22 *upon the Subcommittee on the Backlog of*
23 *Claims.*

24 *(G) Two members appointed by the Sec-*
25 *retary of Veterans Affairs, one of whom shall be*

1 *designated to serve upon the Subcommittee on*
2 *the Backlog of Claims and one of whom shall be*
3 *designated to serve upon the Subcommittee on*
4 *Appeals.*

5 *(H) One member appointed by the Chief*
6 *Judge of the Court of Appeals for Veterans*
7 *Claims, whom shall be designated to serve upon*
8 *the Subcommittee on Appeals.*

9 (2) *SUBCOMMITTEES.—The Commission or Task*
10 *Force shall have two subcommittees as follows:*

11 *(A) A Subcommittee on the Backlog of*
12 *Claims consisting of the eight members des-*
13 *ignated in accordance with paragraph (1).*

14 *(B) A Subcommittee on Appeals consisting*
15 *of the seven members designated in accordance*
16 *with paragraph (1).*

17 (3) *QUALIFICATIONS.—Each member appointed*
18 *under paragraph (1) shall be appointed based on the*
19 *experience of the member as a veteran or on the sub-*
20 *ject matter expertise or other relevant experience of*
21 *the member.*

22 (4) *ADVISORS.—*

23 *(A) IN GENERAL.—In addition to the 15*
24 *members appointed under paragraph (1), the*
25 *Commission or Task Force shall—*

1 (i) have five nonvoting, nonmember ad-
2 visors, appointed by a majority of the Com-
3 mission or Task Force, each from a different
4 organization that represents the interests of
5 veterans; and

6 (ii) seek advice from experts from non-
7 governmental organizations (including vet-
8 erans service organizations and military or-
9 ganizations), the Internet technology indus-
10 try, and the insurance industry.

11 (B) *ADVICE.*—Individuals described in
12 clause (i) and (ii) of subparagraph (A) shall
13 provide advice to both subcommittees described
14 in paragraph (2).

15 (5) *CHAIRMAN.*—The President shall designate a
16 member of the Commission or Task Force who is ap-
17 pointed by the President and designated to serve upon
18 the Subcommittee on the Backlog of Claims to serve
19 as the chairman of the Commission or Task Force.
20 The chairman may designate a member to serve as
21 the chairman of the Subcommittee on the Backlog of
22 Claims and a member to serve as the chairman of the
23 Subcommittee on Appeals to chair such subcommittees
24 as the designee of the chairman of the Commission or
25 Task Force.

1 (6) *PERIOD OF APPOINTMENT.*—*Members of the*
 2 *Commission or Task Force shall be appointed for the*
 3 *life of the Commission or Task Force. A vacancy shall*
 4 *not affect its powers.*

5 (7) *VACANCY.*—*A vacancy on the Commission or*
 6 *Task Force shall be filled in the manner in which the*
 7 *original appointment was made.*

8 (8) *APPOINTMENT DEADLINE.*—*The appointment*
 9 *of members of the Commission or Task Force estab-*
 10 *lished in this section shall be made not later than 15*
 11 *days after the date of the enactment of this Act.*

12 (e) *MEETINGS.*—

13 (1) *INITIAL MEETING.*—*The Commission or Task*
 14 *Force shall hold its first meeting not later than 15*
 15 *days after the date on which a majority of the mem-*
 16 *bers are appointed.*

17 (2) *MEETINGS.*—*The Commission or Task Force*
 18 *shall meet at the call of the chairman.*

19 (3) *QUORUM.*—*A majority of the members of the*
 20 *Commission or Task Force shall constitute a quorum,*
 21 *but a lesser number may hold hearings.*

22 (f) *POWERS OF THE COMMISSION OR TASK FORCE.*—

23 (1) *HEARINGS.*—*The Commission or Task Force*
 24 *may hold such hearings, sit and act at such times*
 25 *and places, take such testimony, and receive such evi-*

1 *dence as the Commission or Task Force considers ad-*
2 *visable to carry out the purposes of this section.*

3 (2) *INFORMATION FROM FEDERAL AGENCIES.—*

4 *The Commission or Task Force may secure directly*
5 *from any department or agency of the Federal Gov-*
6 *ernment such information as the Commission or Task*
7 *Force considers necessary to carry out the provisions*
8 *of this section. Upon request of the chairman, the*
9 *head of such department or agency shall furnish such*
10 *information to the Commission or Task Force.*

11 (3) *POSTAL SERVICES.—The Commission or*
12 *Task Force may use the United States mails in the*
13 *same manner and under the same conditions as other*
14 *departments and agencies of the Federal Government.*

15 (4) *GIFTS.—The Commission or Task Force may*
16 *accept, use, and dispose of gifts or donations of service*
17 *or property.*

18 (g) *PERSONNEL MATTERS.—*

19 (1) *COMPENSATION OF MEMBERS.—Each mem-*
20 *ber of the Commission or Task Force who is not an*
21 *officer or employee of the United States shall be com-*
22 *pensated at a rate equal to the daily equivalent of the*
23 *annual rate of basic pay prescribed for level IV of the*
24 *Executive Schedule under section 5315 of title 5,*
25 *United States Code, for each day (including travel*

1 *time) during which the member is engaged in the per-*
2 *formance of the duties of the Commission or Task*
3 *Force. All members of the Commission or Task Force*
4 *who are officers or employees of the United States*
5 *shall serve without compensation in addition to that*
6 *received for their services as officers or employees of*
7 *the United States.*

8 (2) *TRAVEL EXPENSES.—The members of the*
9 *Commission or Task Force shall be allowed travel ex-*
10 *penses, including per diem in lieu of subsistence, at*
11 *rates authorized for employees of agencies under sub-*
12 *chapter I of chapter 57 of title 5, United States Code,*
13 *while away from their homes or regular places of*
14 *business in the performance of service of the Commis-*
15 *sion or Task Force.*

16 (3) *STAFF.—*

17 (A) *APPOINTMENT.—The chairman of the*
18 *Commission or Task Force may, without regard*
19 *to the civil service laws and regulations, appoint*
20 *an executive director and such other personnel as*
21 *may be necessary to enable the Commission or*
22 *Task Force to perform its duties. The appoint-*
23 *ment of an executive director shall be subject to*
24 *the approval of the Commission or Task Force.*

1 (B) *COMPENSATION.*—*The chairman of the*
2 *Commission or Task Force may fix the com-*
3 *ensation of the executive director and other per-*
4 *sonnel without regard to the provisions of chap-*
5 *ter 51 and subchapter III of chapter 53 of title*
6 *5, United States Code, relating to classification*
7 *of positions and General Schedule pay rates, ex-*
8 *cept that the rate of pay for the executive direc-*
9 *tor and other personnel may not exceed the rate*
10 *payable for level V of the Executive Schedule*
11 *under section 5316 of such title.*

12 (4) *DETAIL OF GOVERNMENT EMPLOYEES.*—
13 *Upon request of the chairman of the Commission or*
14 *Task Force, the head of any department or agency of*
15 *the Federal Government may detail, on a nonreim-*
16 *bursable basis, any personnel of that department or*
17 *agency to the Commission or Task Force to assist it*
18 *in carrying out its duties.*

19 (5) *PROCUREMENT OF TEMPORARY AND INTER-*
20 *MITTENT SERVICES.*—*The chairman of the Commis-*
21 *sion or Task Force may procure temporary and inter-*
22 *mittent services under section 3109(b) of title 5,*
23 *United States Code, at rates for individuals which do*
24 *not exceed the daily equivalent of the annual rate of*

1 *basic pay prescribed for level V of the Executive*
 2 *Schedule under section 5316 of such title.*

3 *(h) TERMINATION OF COMMISSION OR TASK FORCE.—*

4 *The Commission or Task Force shall terminate 60 days*
 5 *after the date on which the Commission or Task Force sub-*
 6 *mits the final comprehensive report under subsection (c)(3).*

7 *(i) FUNDING.—*

8 *(1) IN GENERAL.—The Secretary shall, upon the*
 9 *request of the chairman of the Commission or Task*
 10 *Force, make available to the Commission or Task*
 11 *Force such amounts as the Commission or Task Force*
 12 *may require to carry out the duties of the Commis-*
 13 *sion or Task Force under this section.*

14 *(2) AVAILABILITY.—Any sums made available to*
 15 *the Commission or Task Force shall remain available,*
 16 *without fiscal year limitation, until the termination*
 17 *of the Commission or Task Force.*

18 *(j) DEFINITIONS.—In this section:*

19 *(1) The term “appeals process” means the proc-*
 20 *ess to appeal the determination by the Secretary of a*
 21 *claim beginning with the notice of disagreement filed*
 22 *pursuant to section 7105 of title 38, United States*
 23 *Code, and ending with the review of a decision by the*
 24 *Supreme Court pursuant to section 7292(c) of such*
 25 *title.*

1 (2) *The term “Board” means the Board of Vet-*
 2 *erans’ Appeals.*

3 (3) *The term “strategic plan” means the Stra-*
 4 *tegic Plan to Eliminate the Compensation Claims*
 5 *Backlog, published by the Secretary of Veterans Af-*
 6 *airs on January 25, 2013.*

7 (k) *EFFECTIVE DATE.—This section shall take effect*
 8 *on the date that is one year after the date of the enactment*
 9 *of this Act.*

10 **SEC. 15. METHODS FOR VALIDATING CERTAIN WORLD WAR**

11 **II MERCHANT MARINER SERVICE CONSID-**
 12 **ERED TO BE ACTIVE SERVICE BY THE SEC-**
 13 **RETARY OF VETERANS AFFAIRS.**

14 (a) *IN GENERAL.—For the purposes of verifying that*
 15 *an individual performed service under honorable conditions*
 16 *that satisfies the requirements of a coastwise merchant sea-*
 17 *man who is recognized pursuant to section 401 of the GI*
 18 *Bill Improvement Act of 1977 (Public Law 95–202; 38*
 19 *U.S.C. 106 note) as having performed active duty service*
 20 *for the purposes described in subsection (c)(1), the Secretary*
 21 *of Homeland Security shall accept the following:*

22 (1) *In the case of an individual who served on*
 23 *a coastwise merchant vessel seeking such recognition*
 24 *for whom no applicable Coast Guard shipping or dis-*
 25 *charge form, ship logbook, merchant mariner’s docu-*

1 *ment or Z-card, or other official employment record*
2 *is available, the Secretary shall provide such recogni-*
3 *tion on the basis of applicable Social Security Ad-*
4 *ministration records submitted for or by the indi-*
5 *vidual, together with validated testimony given by the*
6 *individual or the primary next of kin of the indi-*
7 *vidual that the individual performed such service dur-*
8 *ing the period beginning on December 7, 1941, and*
9 *ending on December 31, 1946.*

10 *(2) In the case of an individual who served on*
11 *a coastwise merchant vessel seeking such recognition*
12 *for whom the applicable Coast Guard shipping or dis-*
13 *charge form, ship logbook, merchant mariner's docu-*
14 *ment or Z-card, or other official employment record*
15 *has been destroyed or otherwise become unavailable by*
16 *reason of any action committed by a person respon-*
17 *sible for the control and maintenance of such form,*
18 *logbook, or record, the Secretary shall accept other of-*
19 *ficial documentation demonstrating that the indi-*
20 *vidual performed such service during period begin-*
21 *ning on December 7, 1941, and ending on December*
22 *31, 1946.*

23 *(3) For the purpose of determining whether to*
24 *recognize service allegedly performed during the pe-*
25 *riod beginning on December 7, 1941, and ending on*

1 *December 31, 1946, the Secretary shall recognize mas-*
2 *ters of seagoing vessels or other officers in command*
3 *of similarly organized groups as agents of the United*
4 *States who were authorized to document any indi-*
5 *vidual for purposes of hiring the individual to per-*
6 *form service in the merchant marine or discharging*
7 *an individual from such service.*

8 *(b) TREATMENT OF OTHER DOCUMENTATION.—Other*
9 *documentation accepted by the Secretary of Homeland Se-*
10 *curity pursuant to subsection (a)(2) shall satisfy all re-*
11 *quirements for eligibility of service during the period begin-*
12 *ning on December 7, 1941, and ending on December 31,*
13 *1946.*

14 *(c) BENEFITS ALLOWED.—*

15 *(1) BURIAL BENEFITS ELIGIBILITY.—Service of*
16 *an individual that is considered active duty pursuant*
17 *to subsection (a) shall be considered as active duty*
18 *service with respect to providing burial benefits under*
19 *chapters 23 and 24 of title 38, United States Code,*
20 *to the individual.*

21 *(2) MEDALS, RIBBONS, AND DECORATIONS.—An*
22 *individual whose service is recognized as active duty*
23 *pursuant to subsection (a) may be awarded an appro-*
24 *priate medal, ribbon, or other military decoration*
25 *based on such service.*

1 (3) *STATUS OF VETERAN.*—*An individual whose*
 2 *service is recognized as active duty pursuant to sub-*
 3 *section (a) shall be honored as a veteran but shall not*
 4 *be entitled by reason of such recognized service to any*
 5 *benefit that is not described in this subsection.*

6 (d) *DETERMINATION OF COASTWISE MERCHANT SEA-*
 7 *MAN.*—*The Secretary of Homeland Security shall verify*
 8 *that an individual performed service under honorable con-*
 9 *ditions that satisfies the requirements of a coastwise mer-*
 10 *chant seaman pursuant to this section without regard to*
 11 *the sex, age, or disability of the individual during the pe-*
 12 *riod in which the individual served as such a coastwise mer-*
 13 *chant seaman.*

14 (e) *DEFINITION OF PRIMARY NEXT OF KIN.*—*In this*
 15 *section, the term “primary next of kin” with respect to an*
 16 *individual seeking recognition for service under this section*
 17 *means the closest living relative of the individual who was*
 18 *alive during the period of such service.*

19 (f) *EFFECTIVE DATE.*—*This section shall take effect 90*
 20 *days after the date of the enactment of this Act.*

21 **SEC. 16. DESIGNATION OF AMERICAN WORLD WAR II CIT-**
 22 **IES.**

23 (a) *IN GENERAL.*—*The Secretary of Veterans Affairs*
 24 *shall designate at least one city in the United States each*
 25 *year as an “American World War II City”.*

1 (b) *CRITERIA FOR DESIGNATION.*—After the designa-
 2 tion made under subsection (c), the Secretary, in consulta-
 3 tion with the Secretary of Defense, shall make each designa-
 4 tion under subsection (a) based on the following criteria:

5 (1) *Contributions by a city to the war effort dur-*
 6 *ing World War II, including those related to defense*
 7 *manufacturing, bond drives, service in the Armed*
 8 *Forces, and the presence of military facilities within*
 9 *the city.*

10 (2) *Efforts by a city to preserve the history of the*
 11 *city’s contributions during World War II, including*
 12 *through the establishment of preservation organiza-*
 13 *tions or museums, restoration of World War II facili-*
 14 *ties, and recognition of World War II veterans.*

15 (c) *FIRST AMERICAN WORLD WAR II CITY.*—The city
 16 of Wilmington, North Carolina, is designated as an “Amer-
 17 ican World War II City”.

18 **SEC. 17. SENSE OF CONGRESS REGARDING AMERICAN VET-**
 19 **ERANS DISABLED FOR LIFE.**

20 (a) *FINDINGS.*—Congress makes the following findings:

21 (1) *There are at least 3,600,000 veterans cur-*
 22 *rently living with service-connected disabilities.*

23 (2) *As a result of their service, many veterans*
 24 *are permanently disabled throughout their lives and*
 25 *in many cases must rely on the support of their fami-*

1 *lies and friends when these visible and invisible bur-*
2 *dens become too much to bear alone.*

3 *(3) October 5, which is the anniversary of the*
4 *dedication of the American Veterans Disabled for Life*
5 *Memorial, has been recognized as an appropriate day*
6 *on which to honor American veterans disabled for life*
7 *each year.*

8 *(b) SENSE OF CONGRESS.—Congress—*

9 *(1) expresses its appreciation to the men and*
10 *women left permanently wounded, ill, or injured as a*
11 *result of their service in the Armed Forces;*

12 *(2) supports the annual recognition of American*
13 *veterans disabled for life each year; and*

14 *(3) encourages the American people to honor*
15 *American veterans disabled for life each year with ap-*
16 *propriate programs and activities.*

Union Calendar No. 308

114TH CONGRESS
2^D Session

H. R. 677

[Report No. 114-405]

A BILL

To amend title 38, United States Code, to provide for annual cost-of-living adjustments to be made automatically by law each year in the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of certain service-connected disabled veterans.

FEBRUARY 1, 2016

Reported with an amendment, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed